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The Kansas Health Care Association, represents about 180 long-term care facilities including nursing homes, assisted living, homes plus, nursing facilities for mental health, residential health care and long-term care units of hospitals. I appreciate the opportunity to provide testimony for the Kansas Health Policy Authority.

Our profession is charged with caring for the Kansas frail elderly and disabled. Never in our history has there been more challenging than the past few years. The face of long-term living in Kansas and across the nation is changing. The current focus on long-term living is keeping seniors and persons with disabilities independent longer.

In response to this new face, Kansas has seen a dramatic increase in the availability of home and community based services and living options in the last few years. With these expanded options, nursing homes are seeing an older and frailer consumer with a higher acuity level of care need. We want those who safely and willingly can to live at home as long as possible. If the home and community based infrastructure is in place and can safely meet the needs at home, then we certainly support that effort.

We support bringing all of the funding for Medicaid programs under the HPA. This includes funding for NF/MF's, HCBS waivers and all aging funding.

I would like to make several suggestions of where more funding might be available. You are likely aware the Centers for Medicare and Medicaid Services make available a Medicaid match fund through provider assessments. Currently 33 states have a provider assessment in place. Two years ago the Kansas legislature passed such a proposal for hospital and doctor reimbursements. Some states have been drawing these dollars for over a decade. KHCA believes that these additional federal dollars could be used by the state to address many quality and delivery of services seniors and disabled need.

By law, Medicaid pays for services not covered by other public or private insurance or other payers. We should continue to promote long term care insurance other private means of making Medicaid the payer of last resort. Under the Deficit Reduction Act signed into law this year, make it possible for states to enter into partnerships with residents who purchase special policies to protect certain assets to encourage self responsibility.

Another area of concern is how the system currently reimburses for residents with moderate to severe cognitive impairment. The current system does not adequately reflect the staff time it takes to care for cognitively impaired residents.

We would suggest a demonstration project to look at a provider coordinated, market driven and integrated long term care delivery system; and conduct a study to develop payment rates that apply principles suited for long term care.

NF/MH's should be reimbursed using an alternative to the current case mix system because it does not accurately measure the acuity level of a mental health resident. These homes currently provide a safe secure environment that their residents have become accustomed to. By the nature of their illness many people with severe and persistent mental illness are uncooperative with medication and treatment resulting in repeated hospitalizations at state hospitals. Currently NF/MH's funding is solely done through state general funds.

Though they must anticipate the future expense of maintaining the resident's safety and security some with 24 hour around the clock care and supervision. Some of these individuals have histories of criminal behavior and may return to the judicial system without supervision. There is a need for this type of placement and service for those with SPMI. They deserve to have some say in the decision of where they chose to live and funding should continue to be available to them when they chose to stay in an NF/MH.

We believe Kansas' long term care providers do a remarkable and heroic job providing services in a difficult and changing environment. We must look to alternative forms of financing long term care for our poorest and most needy.

Kansas Health Care stands ready to be a partner in being a part of the creative new solutions to meet the future long term care needs for all Kansans. Such solutions must allow the state and its citizen's to move beyond today's government-financed-Medicare and Medicaid-long term care financing system to one that encourages, supports and protects individuals who choose to plan for their own long term care needs through private insurance and other financial means while still preserving Medicaid as a safety net program for those who truly need it.